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National Intelligence Daily

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POLAND: Violent Incident

A clash yesterday between police and demonstrating farmers in the provincial capital, Bydgoszcz, has raised new tensions in Poland. [redacted]

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According to press reports, 200 police roughly evicted 25 farmers and local union members from a government building after they refused to leave a meeting with local officials. Several union members were taken to hospitals, and the local Solidarity leader reportedly was hospitalized with head injuries. This is the first incident involving apparently serious personal injuries since the founding of Solidarity last August. [redacted]

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Solidarity leader Walesa went to Bydgoszcz to try to help calm the situation. The union's national leadership asked all chapters "to keep absolute calm" until the incident has been investigated. At the same time, all Solidarity chapters have gone on strike alert. [redacted]

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[redacted]
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Approximate Area of Guerrilla Fronts



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EL SALVADOR: Balance of Forces

Sweep operations by government forces appear to be slowing insurgent efforts to regroup and rearm, but the guerrillas have not committed all their reserve forces and still expect increased weapons shipments.

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Government forces this week carried out their 15th counterinsurgency sweep since mid-January in central and northern El Salvador. San Salvador claims to have killed at least 50 subversives during these sweeps.

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The insurgents, on the other hand, claim costly casualties have been inflicted on government troops.

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To improve its counterinsurgency capability, the Salvadoran military is trying to standardize its weapon inventory and restructure its forces. The plans are based on the acquisition of large amounts of US-supplied arms, including 13,000 M-16 rifles and more US training. Plans also call for a new rapid reaction force of perhaps 10 infantry companies--1,500 troops--to augment the current manpower of 16,000.

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Status of Insurgents

Some 3,000 to 4,000 full-time guerrillas are distributed among five vaguely defined battle fronts. Several thousand more part-time irregulars may augment the primary forces. The current slowdown in external supply to the insurgents, together with government counterinsurgency sweeps, however, has reduced the level of major guerrilla operations. These factors will be debilitating over time, but have not yet critically affected the potential of the guerrillas. Their present manpower resources and relatively sophisticated operational capabilities will enable them to continue their war of attrition for an extended period of time, even with present stores.

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In the last week, 200-man insurgent units assaulted government posts in three widely separated locations. Current government sweep-and-clear operations are still apparently only disrupting insurgent timetables and have not delivered any telling defeats.

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The guerrillas have gradually become better trained.

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WESTERN EUROPE: Socialists Emphasize Arms Control

Socialist and Social Democratic Party representatives from six West European countries meeting in Oslo last weekend agreed to urge both the USSR and the US to negotiate on limiting nuclear weapons in Europe.

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The meeting was the second of a series begun in January by the Socialist parties of Belgium, the Netherlands, Norway, and Denmark, but it also included representatives from the West German Social Democratic Party and the British Labor Party. Another conference is scheduled for May in Brussels.

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Leaders of the Dutch Labor Party and the Belgian Flemish Socialists claim a consensus supported their negative attitudes on theater nuclear force deployment, but the Norwegians, Danes, and especially the West Germans want to avoid challenging NATO policy, and they deny the Belgian and Dutch interpretation. The Scandinavians, however, still hope TNF deployment by NATO will not be necessary, perhaps as a result of developments following President Brezhnev's recent proposal for a moratorium.

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The recent US decision to convene a meeting of NATO's Special Consultative Group to consider resumption of talks with the Soviets on TNF was greeted with approval, and this helped prevent more critical questioning of NATO and US policies. Participants from the four smaller countries agreed, however, that their governments should press the US at the meeting of the Special Consultative Group on 31 March to move quickly to negotiate with the USSR. The ruling Scandinavian parties sent high government officials to the gathering last weekend, and they are likely to convey this message.

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At the meeting in January considerable interest was evident in the Norwegian proposals for nuclear-weapons-free zones. The Norwegians apparently did not push the idea this time, because of the criticism they have received from the larger allies.

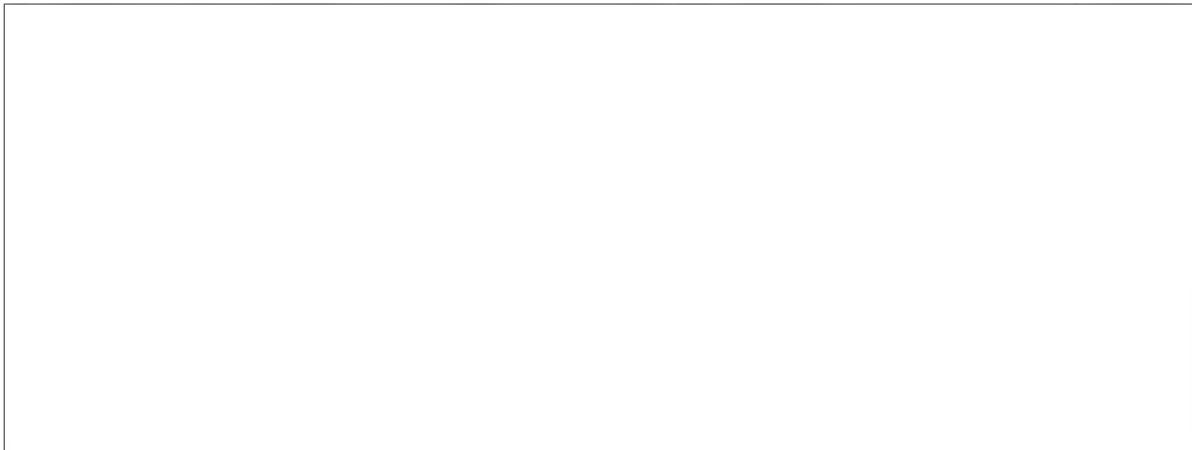
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YUGOSLAVIA-USSR: Possible High-Level Soviet Visits

The Yugoslavs appear to have responded positively to recent overtures from Moscow by inviting high-level Soviet leaders to Yugoslavia. A Soviet diplomat in Belgrade told a US Embassy officer this week that the Yugoslavs have invited Premier Tikhonov and Politburo members Grishin and Suslov but that no dates have yet been set. An official visit by Tikhonov apparently was proposed earlier this month by the Soviets. The Yugoslavs, however, have not yet confirmed the invitations. Visits by Grishin and Suslov--presumably also proposed by Moscow--would come as a surprise in view of their presumed tough stance toward the Yugoslav party.

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KAMPUCHEA: Dim Prospects for an International Conference

The coming visit of UN Secretary General Waldheim's special representative to Southeast Asia to discuss a prospective international conference on Kampuchea stands no chance of success. The Association of Southeast Asian Nations--Thailand, Singapore, Indonesia, Malaysia, and the Philippines--has yet to settle on a common position on the agenda for a conference and who should attend. Thailand and Singapore want to proceed only as specified in the UN resolution of last fall. That called for an international conference on Kampuchea to arrange for the withdrawal of foreign troops and for UN-supervised elections. Indonesia, on the other hand, wants to investigate a possible compromise with the Indochinese countries outside of the UN resolution. Djakarta has dismayed some ASEAN leaders by inviting the Laotian Foreign Minister to Jakarta for talks. Vietnam and the USSR are promoting their own proposals for a conference, but ASEAN has rejected them because participation would entail recognition of the regime in Phnom Penh.

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SPECIAL ANALYSIS

IRAQ-IRAN: Prospects for Peace

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Iraq and Iran are showing interest in exploring each other's terms for a settlement, but neither appears under sufficient pressure to compromise on basic issues. Iraq still has several military options, all of which entail risk. Nonetheless, inconclusive or failed mediation attempts probably will cause President Saddam Hussein to intensify Iraq's military efforts.

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At a minimum, Saddam almost certainly wants control of minor border areas ceded to Iraq--but never relinquished by the Shah--in the Algiers Accord of 1975 and full sovereignty over the Shatt al Arab waterway, which carried about two-thirds of Iraq's prewar imports. Failure to gain Tehran's acceptance of these points would expose Saddam to criticism that he started the war for nothing, a charge that could lead to his ouster.

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In return for Iranian concessions on the border, Saddam probably is prepared to:

- Withdraw Iraqi troops from Iran.
- Guarantee freedom of navigation for all shipping to Iranian ports on the Shatt.
- Stop substantial aid to Iranian political exiles and dissident ethnic groups.
- Drop the issue of Arab sovereignty over the three disputed islands in the Persian Gulf.

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Both Baghdad and Tehran see the Islamic Conference initiative as the preferred forum for mediation.

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The Islamic committee, which received negative replies from both sides to its proposals of 4 March, will reconvene late this month to revise them. The proposals called for full but phased Iraqi withdrawal from Iran, Islamic arbitration of the Shatt issue, and supervision by an Islamic peacekeeping force. [redacted]

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Iranian Attitudes

Most Iranian leaders probably would prefer to end the conflict, but the internal power struggle complicates finding a solution. No politician can afford to be seen as appeasing the Iraqis, and all major figures are taking a tough line in public toward the war. [redacted]

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[redacted] the fundamentalists probably are trying to devise a formula that would allow them room to claim a victory over Iraq. They are likely to insist that the agreement of 1975 serve as the basis for a settlement. [redacted]

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The fundamentalists' lack of precision on this point suggests, however, that they may be willing to alter some terms to meet Saddam's demands--provided Iraq does not insist that such changes be cast in humiliating terms. Since Iranian leaders know that Iraq cannot conquer Iran, they will not accept Saddam's demand of public recognition of full Iraqi sovereignty over the Shatt. [redacted]

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Any serious negotiations will have to be conducted in secret because of the political situation in Tehran. If general terms could be agreed upon in private, Islamic Conference mediators could then assist in drawing up a detailed agreement. [redacted]

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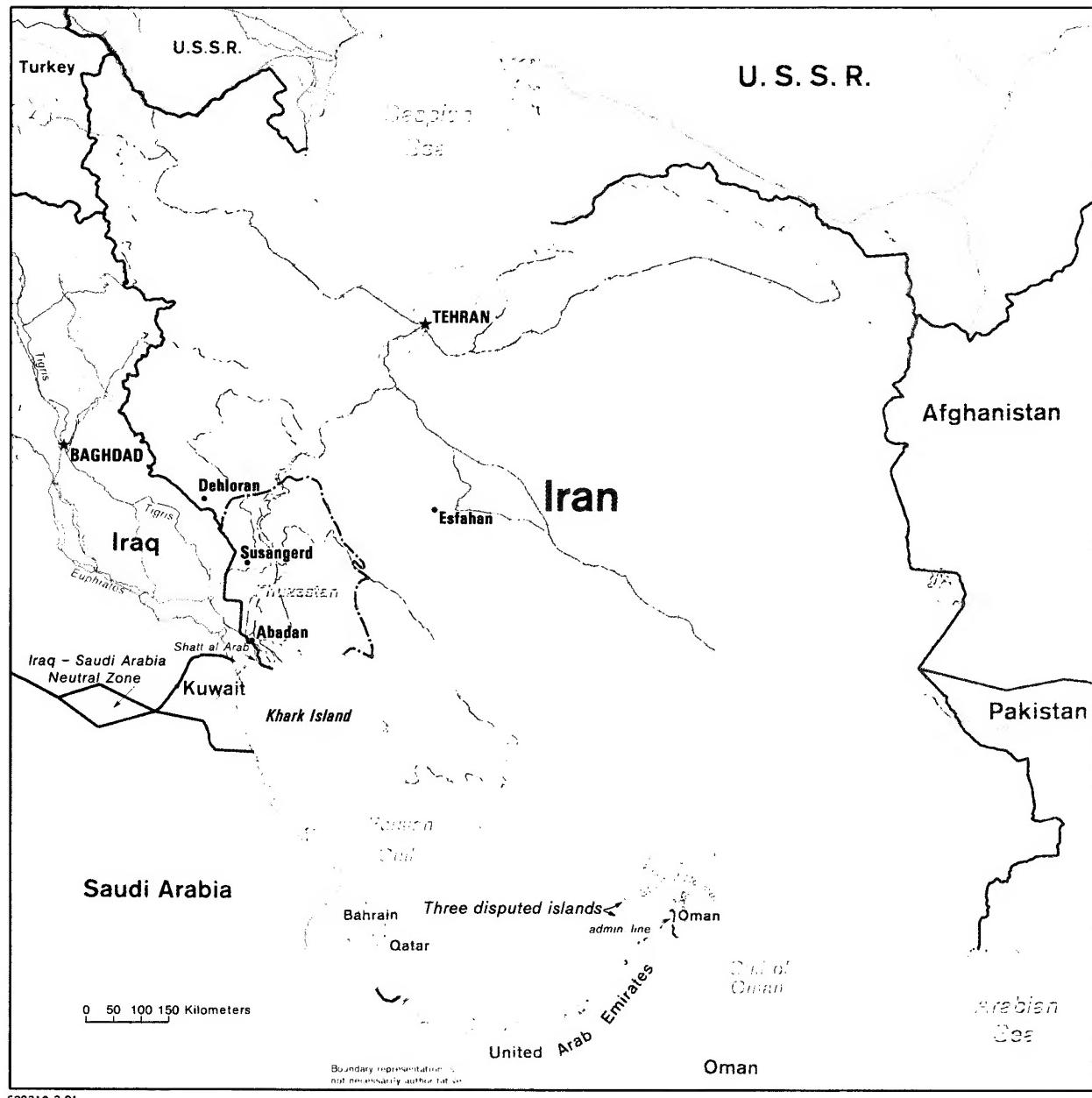
Military Options

Both Iraq and Iran recently increased military actions, probably to influence the exploratory talks. Iraq attacked cities in Khuzestan Province with missiles, artillery, and aircraft. For the first time in weeks, early this month Iran struck Iraqi economic targets. [redacted]

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Iraq's armed forces retain a significant advantage over the Iranians in equipment and trained manpower. If Saddam shifts to a military strategy, he has several options.

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Iraq could continue its static occupation, hoping for a leadership change in Tehran. This reduces the likelihood of airstrikes, keeps military losses low, and provides the armed forces more time to absorb Western arms, such as the Mirage F-1s and the Roland missile systems that have been received since the war began. This strategy puts no additional pressure on Iran, however, and gives the Iranians time to replace their own losses.

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Baghdad also could seize Susangerd or Dehloran and strengthen its support for subversive activity inside Iran. On the other hand, this approach would do little to change the basic situation, and it would increase casualties and waste the period when the weather is most favorable for armor operations.

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In addition, the Iraqis could attempt to encircle and capture Abadan and other major cities in Khuzestan. Capture of Abadan would give Iraq physical control of both banks of the Shatt, improve Iraqi morale, and release large numbers of soldiers for duty elsewhere. An assault on Abadan would result in substantial casualties, however, and this would increase dissatisfaction within the military.

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Finally, Baghdad could carry out airstrikes against Iran's oil refineries and the key oil export facilities at Khark Island. Knocking out Khark would deprive Iran of vital foreign exchange, and a successful attack on the Esfahan refinery would significantly lower the availability of refined products in Iran.

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The facilities at Khark and Esfahan would be difficult to destroy, however, and the effort would provoke Iranian retaliation against important Iraqi economic targets and a resumption of raids against Iraqi cities.

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If the Iraqis did knock out Khark, some Iranian leaders might advocate retaliatory strikes against Kuwait and Saudi Arabia, which have become increasingly open in supporting Baghdad. [redacted]

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Prospects

The pressure is building on Saddam Hussein to devise a strategy to end the war. Iraqi military leaders are increasingly frustrated over the current stalemate and are worried about the erosion of morale among their troops. [redacted]

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Civilian morale probably also is declining in the face of a steady stream of casualties and disruptions to social and economic development programs. Severe power shortages--now an inconvenience--will produce major hardships this summer and increase doubts about Saddam's leadership. [redacted]

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Saddam will encourage the peace process, privately instruct his diplomats to be flexible, but continue to prepare for an intensification of the fighting. [redacted]

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The minimal conditions for each side, meanwhile, are not likely to remain static. They will be influenced in Iran by the internal power struggle and in Iraq by the level of grumbling over "Saddam's war." [redacted]

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